

# **MEETING SUMMARY NOTES**

## **Mayor's Infrastructure Finance Committee**

*March 20, 2003  
4:00 p.m., Mayor's Conference Room  
2<sup>nd</sup> Floor County-City Building*

**Members:** Present – Brad Korell, Jan Gauger,  
Carol Brown, Jon Carlson, Linda Crump, Dan Marvin,  
Richard Meginnis, Terry Werner, Larry Zink,  
Allan Abbott (non-voting)  
Absent – Russ Bayer, Bob Hampton, Jerry Schleich, Otis Young

**Others:** Kent Morgan, Steve Masters, Michele Abendroth

### **AGENDA ITEMS DISCUSSION:**

#### **1. Welcome - Brad Korell, Committee Tri-Chair**

Mr. Korell called the meeting to order at 4:03 p.m. and welcomed those present. He stated that most of the meeting today will focus on the report of the Cost Savings and Efficiency Work Group. Mr. Bayer could not be at the meeting as he was out of town on business, so Mr. Carlson updated the committee on the report.

Mr. Korell informed the group that three additional meetings have been added, as Mayor Wesely has asked the Committee to complete their work by May 8<sup>th</sup>. The three additional meetings are April 10<sup>th</sup>, April 24<sup>th</sup>, and May 1<sup>st</sup>; all meetings will begin at 4:00 p.m.

#### **2. Legislative Work Group**

Ms. Gauger informed the Committee that there have been no referrals for further consideration to the Legislative Work Group, so they are not meeting at this time.

Mr. Abbott informed the group that LB32, which is storm water utility bill, is out of committee, and is a committee priority bill. He also noted that LB555, which is the gas tax bill, has been postponed indefinitely.

#### **3. Finance Work Group**

Mr. Korell informed the Committee that the Finance Work Group is dealing with streets at this time, and they were pleased with the reduction in the gap that the Cost Savings and Efficiency Work Group identified. The Finance Work Group has also retained Public Finance Management

consultants who work with transportation issues and will be here at the next Finance Work Group meeting on Thursday, March 27<sup>th</sup>. There are lots of ideas on the plate, which need to be broken down into recommendations. Mr. Morgan has also developed a matrix of ideas which will help guide the work group. The work group has looked at SIDs and concluded that it would not be something to consider as a recommendation.

#### **4. Cost Savings and Efficiency Work Group**

Mr. Carlson pointed the group's attention to the document in front of them entitled *Cost Savings and Efficiency Work Group: Report of Findings and Recommendations*. He stated that he would proceed by going through the report page by page. He noted the dollar amount of cost savings that could be achieved if all the recommendations were implemented. The savings was estimated as \$35 million in hard savings and \$100 million in possible deferrals. The report identifies the members of the work group, which is a diverse background of individuals. He then noted the charge of the work group. Mr. Carlson stated that the group defined efficiency as saving time or money. If it met those constraints, then it was tested against other checks. He stated that the Preamble contains those items that did not necessarily meet the definition of efficiency, but were identified as being important enough to be in the report.

Under **Big Picture Policy Recommendations**, Mr. Carlson noted the first recommendation regarding following the infrastructure program as shown in the Comprehensive Plan. Another recommendation noted the importance of instituting policies and procedures for closely tying the programming of capital projects with the growth phasing program and related policies in the Comprehensive Plan. Mr. Korell asked if the group looked at ways to institute those policies. Mr. Morgan stated that a key change is that the CIP and Comprehensive Plan will be brought forth for review at the same time. Mr. Meginnis asked if there was any discussion about public involvement with the CIP before being brought forth to the Planning Commission. Mr. Carlson stated that the group did not specifically look at that, but it is worth looking in to. Mr. Meginnis stated that since this is such an integral part of planning, public involvement should possibly be sought. Mr. Abbott stated that the CIP has only included the first year for approval for funding, but he believes that the process should be changed.. Mr. Carlson stated that we have a funding process and a planning process, and we need to make sure they are integrated.

Mr. Korell stated that he would suggest even stronger wording and wanted a way to institutionalize this so that there is a long term approach to both planning and financing. He stated that the Committee should review this issue further, and in the role of the Committee, he felt they could recommend a change to the report.

Mr. Carlson continued reviewing the document with the next section regarding phasing of projects. He indicated that there was considerable discussion regarding this issue. There were two ideas discussed regarding putting out a sublevel of infrastructure in a lot of places or a full level of infrastructure in less places and which is more satisfactory and maybe neither are. The fact of the matter is that maybe you cannot ultimately service that entire area in that time frame. The core thing to accomplish is to provide for the population that is expected. Mr. Abbott stated

that the key part is that we need to get the right-of-way and build out, so that it can be used as long as possible and cause the least amount of disruption. He also noted that he does not believe that this is a cost savings, but instead a cost deferral, and stated that this is a good recommendation.

The recommendation regarding deviations from the Plan was intended to infer that there is going to be a project where you want to take advantage of a rare opportunity. Mr. Carlson also noted that a cost/benefit analysis process should be used.

Regarding the recommendation on force mains as temporary facilities, the Comp plan says that it should be a gravity fed system, but the group wanted concessions to use a force main on a temporary basis. He noted that the use of the force mains would need to take into consideration several issues. Ms. Crump questioned the definition of temporary. Mr. Abbott stated that it goes back to the legitimacy of the CIP. Mr. Korell stated that it should be consistent with the Comprehensive Plan. Mr. Zink questioned if there was a process to avoid a political influence and stated that there should be some criteria in place.

The special funding districts recommendation states that the City should investigate possible uses, but the group did not come up with any specific sources. There was considerable discussion that there should be some greenbelt considerations for farming operations.

The recommendation regarding EOs vs. Special Assessment Districts was discussed specifically to figure out the benefits of one over the other, and was recommended to be forwarded to the Finance Work Group for further consideration.

Under **Systems and Process Recommendations**, the group discussed bidding and contracting procedures and looked at combining projects into single bids. The group also thought it was important to let the local construction companies know that this is possibly in the works.

The recommendation regarding indefinite delivery contracts lays out the general terms of performance. Mr. Abbott noted that you would let the contracts as you needed them. Mr. Meginnis added that it was similar to snow removal contracts. Mr. Abbott stated that usually it is “fill in” work and is good for certain types of work.

The statement of intent was an approach to get greater use of multi-year contracting. There are limitations as identified in the charter, but it is not prohibited.

The recommendation to pursue advanced right-of-way acquisition was endorsed by all members and staff. The basic principle is to make a plan, follow the plan, finance the plan, and acquire the right-of-way. The right-of-way acquisition resources recommendation was intended to make sure that the City has the financial and personal capacity to complete that task. Mr. Carlson noted that the cost savings between farmed ground is substantial over zoned ground.

The recommendation regarding handling of engineering drawings states that priority would be given to complete plans over partial plans. The current policy is first come, first served.

The construction inspection/observation program discussion considered the use of inspectors and observers. Mr. Abbott stated that individuals on the construction site need to have more authority to make decisions which moves the project along more quickly. He added that there are also more consultant inspections.

The discussions regarding interagency coordination and streamlining the platting process resulted in no specific recommendations, although the group felt these issues were important enough to be reflected in the document.

The grant writing program was discussed and determined that it would be better addressed by the Finance Work Group.

Under **Infrastructure Elements**, outside-in street phasing was identified as a recommendation, so as to eliminate tearing out what has already been built. The recommendation regarding future street grades ties in to that and states that we should work with the County, so that when they grade a County road, we can ultimately take advantage of that grading. In the same light, the group discussed making use of paved county roads as the city phases in urban improvements. Mr. Zink questioned if there was a possible cost share with the County. Mr. Abbott stated that they are working with the County.

On the recommendation regarding dual left turn lanes, the original cost projections had dual left turns at the intersections, the quarter, half, and quarter. Mr. Abbott stated that for cost projections, we estimated only one dual left turn lanes per mile per section line road and at the intersection of all arterials and that we would retain the 28 foot median, so as to keep options open. There was similar discussion regarding the traffic signals recommendation.

The group also discussed minimizing the need for retaining walls along arterial streets and recommended to consider means for using grading and wider rights-of-way.

The group recommended burying overhead lines as part of future arterial street projects in growth areas, regardless of who has to pay. Regarding the cost for utility relocations, the group recommended that utilities should be required to pay to move their mains or lines when in the public right-of-way.

The discussion regarding sidewalks along arterial streets resulted in the group recommending to retain the present subdivision standard requiring installation of sidewalks along arterial streets as part of the platting process. Mr. Abbott stated that the impact fees were originally calculated having the sidewalks part of the corridor, so we will have to revise the total impact fees that could be charged.

On sureties for street trees, the group has recommended to eliminate bonding for street trees along arterial streets, require the home builder or buyer to install the street trees at the time the home is constructed, or allow for payment in advance in lieu of bonding as a subdivision requirement.

Mr. Korell noted two comments from the Committee on the report, one being the need to institutionalize the integrating of the Comprehensive Plan, the plan for infrastructure and the finance plan, so they go beyond one year. He also noted the need to quantify the use of the 'temporary' force main to be consistent with the Comprehensive Plan.

Ms. Brown asked what the \$100 million in deferred savings included. Mr. Abbott stated that it included a list of projects that could be deferred, and the list would be shared with the full Committee. She also noted a concern that certain projects may have been eliminated. Mr. Korell noted that this issue would be put on the agenda and revisited by the full Committee.

Mr. Korell thanked the Cost Savings and Efficiency Work Group for their work and stated that it is great work. He also thanked Mr. Carlson for reporting on the document.

Mr. Korell then stated that they would talk to Mr. Bayer and see if the Cost Savings and Efficiency Work Group wanted to reconvene to discuss these issues brought forth in today's meeting.

Mr. Zink distributed a document titled *Mayor's Infrastructure Finance Committee Issues to be Addressed*. The document was prepared by committee members, Ms. Brown, Mr. Carlson, Mr. Marvin, Mr. Werner and Mr. Zink, who are largely representing their communities. He asked the committee to review the document at their convenience. He stated that they have concerns in the process of how do we get this build out and perhaps overlooked the primary charge that maintaining existing facilities should be given priority consideration. He asked for some numbers to look at regarding the 40 year cycle of residential streets and asked for the spreadsheet to be redone to increase residential street rehab money by 50%. He also stated they believe the City ultimately moves better long term if we move our system slowly towards those who benefit the most from projects pay the most. From that, they requested an overt statement that the recommendations hold as long as there are impact fees. They also think that serious consideration should be given to increasing the impact fees beyond the current ordinance. They asked for some estimates to look at if you continued to raise the water and wastewater rates and how that would offset in terms of fees. More importantly, in terms of pace of growth, they feel that we need to look at phasing the build out more, and requested some figures if we stretched this out over a 15 year period.

Mr. Carlson stated that they are requesting numbers on only the money. It goes back to the question of having a lot of development with a less than normal standard of infrastructure or the current level of service and less of it at a time.

Mr. Korell stated that this is different from the charge which was to meet the Comprehensive Plan. Mr. Carlson stated that the charge is to accommodate the 1.5% rate of growth. But there are two mathematical things. One is if you look at the amount of land that is in the Plan and the density that we build, if you run those numbers, there is more land to serviced than is necessary to accommodate the 1.5% population growth. Mr. Korell noted that the density is defined in the Plan. Mr. Carlson stated that he agrees with the density, but it is the amount of land that he is questioning.

Mr. Meginnis stated that a lot of these questions need to be answered, but we cannot deviate from the charge.

Mr. Zink also requested some number crunching on fees and tax increases, specifically water and wastewater, and they wanted to see what the economic impact would be on major employers.

Mr. Abbott stated that he can figure some costs on all but the third request until we can figure out what the real question is. Mr. Morgan offered to meet with those members requesting these estimates to clarify what they are wanting. Mr. Korell stated that these issues will be on the agenda for the next meeting.

Mr. Korell adjourned the meeting at 5:43 p.m.

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